

Testimony of Russ Bellant
before the
House Committee on
Local Government and Urban Policy
March 1, 2006
re
Senate Bill 372

- I. Introduction
- II. History of Regionalization
- III. Water Rates with Suburban markups

INTRODUCTION

Thank you committee members for your willingness to consider this testimony.

I wish to only make two only make general points, as they seem to go at the heart of the concerns of most critics of the Detroit Water and Sewerage Department.

As the attached history attempts to make clear, Detroit built a regional at the request, indeed the demand, of suburban users. Each community or regional authority chose to *voluntarily* contract with the City for services. To now make ownership claims or demands for control of this *voluntary association* is on its face immoral, dishonest and, as Judge John Feikens has opined, its unconstitutional.

Because this issue may not familiar to some legislators, I have also attached the data on what Detroit charged customers and what markups each community charged its residents. As you can see, most charges paid by residents of local communities stay in those communities and do not go to Detroit.

Regionalization History

A premise of those who have advocated taking DWSD from the City of Detroit is that it can be taken without compensating Detroit. Indeed, the bill seems to be saying that Detroit will have to pay to the new authority for its share of ownership. The supporters of this bill seem to believe that suburban users have been paying Detroit for water services and therefore have a claim to ownership.

In fact, Detroit built through bond financing all the water plants, waste water system, major transmission mains, booster and lift stations. Detroit took the risks, not the suburbs. Suburban communities voluntarily chose to contract with Detroit for water supply and/or sewerage services. The decision to contract with the City as a customer did not entitle any community to assume a claim to ownership. No communities have asserted that they have ownership rights based on their contract, to my knowledge.

So how do some legislators believe that over a century of the City of Detroit's investments can be legally ignored? Perhaps there is an erroneous belief that Detroit has built a resource-controlling monopoly rather than a voluntary association by persons who do not know the 166 year history of the system.

In 1835 Detroit sold its first two bonds at \$50,000 each. One was to finance the purchase and improvement of the local water works, the other to build the first sewer. On June 4, 1836, the City established its own water department. This was a year before Michigan became a state.

In 1849, the Legislature authorized the City to levy a special tax on its citizens for the expansion of the water works. The City purchased land in 1851 for the expansion. It hired contractors to make the improvements. By 1851 Detroit had spent \$175, 898.93 on its water department.

During this period, the City also piped water to residents of the townships of Hamtramck on the east side and Springwells on the west. A few years later these townships became part of Detroit.

As the town and the water system grew, it was decided to create a Board of Water Commissioners to supervise the system and its improvements. Established in 1853, the first board had members whose names were memorialized in the names of Detroit's roads, such as Shubael Conant, Henry Ledyard, Edmund Brush and James Van Dyke. This board borrowed \$500,000 to again expand and modernize its water works.

With the projects completed in 1860, the board set a 15% rate increase and required payment from previously exempt groups. It was probably the first double digit rate increase to pay for capital improvements.

In 1870, the City was again petitioned by nonresidents to be served with Detroit water. The City agreed to supply 100 homes that were within 700 feet of the City. As with earlier townships, this

area was absorbed into the growing City limits of the day. But it showed then as today a willingness by the City to help others beyond its borders with this basic health service.

In 1871 the Legislature sought to create a Department of Public Works and abolish many offices, including the Board of Water Commissioners. There was much protest to this new law. The Board of Water Commissioners refused to turn over its books to the new agency. The Michigan Supreme Court thereafter negated the Legislature's act.

Chastened, in 1873 the Legislature gave the Board of Water Commissioners the power to borrow one million dollars and to levy a direct tax, as well as condemn property and build works outside the City. Finally, the act banned industrialization for a six mile stretch along the Detroit River above the planned water intake across from Belle Isle. The land for the 56 acre site we now call Water Works Park was purchased by the City in 1874 and a new pumping station with settling basins was put in service in 1877.

By the 1890's the Board began to contemplate the feasibility of building an intake in Lake Huron. In 1900 the first municipality, River Rouge, signed a water supply agreement with the City of Detroit.

The City continued to acquire property and expand capacity to meet the needs of its own growing population, industrialization and the requests for service from the suburbs. It was financed through the City of Detroit sale of bonds. The Springwells plant went into service in 1935. Starting as a reservoir and booster station in 1945 to serve Macomb County, the Northeast Treatment Plant was put into operation in 1956. The Lake Huron plant, long requested by Oakland and Macomb counties, went into service in 1973 and also supplied the greater Flint area.

In the 1950's wide debate occurred about whether Detroit should build a regional system or whether suburban communities should build their own systems. Laurence Lenhardt, the manager of the Detroit Water Department, issued a report in January, 1955 saying that Detroit would not hook up any more cities to the Detroit system and only will serve the 42 cities currently receiving Detroit water. "Why should Detroit finance suburban growth which will lure away our residents and industry," asked Lenhardt. He advocated that the suburbs build their own systems.

The suburban need was great at that time. Most of the suburban population was in western Wayne county at the time, which had more people than the combined populations of Oakland and Macomb counties. And many of those western suburbs were hurting for water in the summers of 1952 to 1955. Local well systems were being tapped out. Undersized water mains also helped to contribute to low pressures and an inability to fight fires. Total bans on lawn sprinkling by suburban authorities and gurgling rather than flowing faucets caused great concern in many communities. Schools were closed, while health and fire hazards mounted.

Water was being delivered by police in milk cans to some residents, while others got their residential water by going to centrally located community taps and filling their own containers. Limits were also placed on residential building permits in suburbs such as Livonia. In 1955 the

Detroit Free Press reported considerable loss of industry due to the water shortage.

Within three months of Lenhardt's statement, Wayne County placed a millage on the ballot to create a water system for Wayne County. The millage was for an out-County system that Detroit would never benefit from, yet Detroit, which had two thirds of Wayne County's population, approved the millage. Detroit Mayor Albert Cobo eased Lenhardt out as business groups, public health and safety officials, civic associations and the suburbs demanded that Detroit expand their system.

In 1955 an Intercounty Supervisors Committee was established from Supervisors (now Commissioners) from six counties to map out development of a regional plan for Wayne, Oakland, Macomb, Monroe, St. Clair and Washtenaw counties. A 1957 report to them by a national group of water systems experts organized by the National Sanitation Foundation said Detroit should build the regional system and supported the plan to build a plant at Lake Huron. This was also backed by the Detroit Regional Planning Commission (later SEMCOG), which said that the growth of the population and economic base of the region was "endangered" by inadequate water services. It noted that 58 communities in southeast Michigan could meet current needs, 37 could not and 100 had no water systems at all.

The Detroit Board of Commerce (later the Detroit Regional Chamber of Commerce) also fought for Detroit building the regional system from 1955 onwards. Newspaper editorial boards also endorsed the Detroit plan, summarized by the Detroit Times (later absorbed by the Detroit News), which editorialized that "The reason for unification of the water supply in Detroit's department is because the Detroit system has the economic base-its present facilities and paying customers-to finance expansion. No other apparent combination of communities has such resources."

As Detroit and its suburbs coalesced around a Detroit-built regional system, Wayne County experienced technical and financial difficulties in their planned water system. They decided to sell to Detroit the system they were building. So the county system started mainly with Detroit millage revenues was now paid for again from Detroit water funds. But from that transaction came the Southwest Water Treatment Plant in Allen Park in 1965. With legal obstacles cleared, Detroit then financed and built additional mains so that Livonia and other suburbs could restart residential building, occupy already built but vacant homes and open already constructed schools.

In the 1960's Michigan health officials stopped development in Oakland and Macomb counties due to lack of sewerage systems. The counties asked for help from Detroit and, according to then Macomb County Public Works Director Thomas Welsh, " Detroit obliged with a sewer system to accommodate Oakland and Macomb counties." Welsh noted that neither county wanted to assume the debt or responsibility of building their own systems after they studied the matter. With the help of Detroit, development restarted in both counties, as it had done in western Wayne County. The volumes of water demanded by the region now made the Lake Huron plan economically feasible.

Detroit voters also amended the City Charter in 1960 at the request of Mayor Louis Mariani in order to add a representative from each of the three counties to the Board of Water Commissioners. The Times then concluded that "the Detroit region will now move toward a long-needed program of area-wide centralized control of the supply of water."

The inclusion of suburban representatives is dismissed today as insufficient by advocates of HB 5788. Nevertheless, suburban representatives said in testimony in 1993, 1999 and this month before this subcommittee that they were fully equal in their roles, that they are not isolated, that votes have never occurred along City-Suburban lines. This would be a good model for the Legislature to follow.

Today the system has evolved in just the way previous generations planned it. Local communities are still contracting with Detroit for services. Not everyone thinks that the system Detroit built for the suburbs means that the suburban communities should ingratelously turn around and steal it from the City. No longer do Livonia police have to haul water in milk cans to their residents.

Residential Rate Comparisons

Twenty Most Populated U.S. Cities

Monthly Cost of Service Ranked From Highest (20) to Lowest (1)

Based on 1,000 cu. ft. or 7,500 gallons and a 5/8" meter.

City	Water Service		Sewer Service		Combined Service	
	\$	Rank	\$	Rank	\$	Rank
San Diego (a)	23.41	19	37.37	19	60.78	20
San Francisco	17.40	15	39.42	20	56.82	19
Austin	15.73	14	31.78	18	47.51	18
Jacksonville	14.25	11	30.95	17	45.20	17
Houston	21.65	18	22.43	14	44.08	16
San Jose	24.65	20	18.96	10	43.61	15
Philadelphia	14.85	12	28.55	16	43.40	14
Los Angeles	20.16	16	20.51	12	40.67	13
Dallas	12.93	7	23.65	15	36.58	12
Columbus	15.28	13	19.05	11	34.33	11
New York	13.13	8	20.88	13	34.01	10
Indianapolis	20.55	17	12.41	5	32.96	9
Baltimore	12.21	5	17.30	9	29.51	8
San Antonio	13.72	9	14.86	8	28.58	7
Milwaukee	13.89	10	14.68	7	28.57	6
Detroit	11.48	4	14.51	6	25.99	5
El Paso	12.32	6	11.66	4	23.98	4
Phoenix	10.72	3	10.45	3	21.17	3
Chicago (b)	8.67	1	7.20	2	15.87	2
Memphis	9.01	2	4.39	1	13.40	1
Average Excluding Detroit	15.50		20.34		35.84	

Note: Rates for all cities effective August 31, 2001. Does not include stormwater charges.

(a) Sewage in San Diego receives primary treatment only.

(b) Chicago residents pay for sewage disposal costs through property taxes. Rates are charged to tax exempt property only.

Schedule of Comparative Water Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Allen Park	6.62	5.35	11.97	80.82%
Almont Village - (d)	10.43	17.69	28.12	169.61%
Ash Township	7.55	14.70	22.25	194.70%
Auburn Hills	10.78	2.72	13.50	25.23%
Augusta Township - (e)	5.40	23.81	29.21	440.93%
Belleville	7.10	15.03	22.13	211.69%
Berlin Township	8.18	14.65	22.83	179.10%
Beverly Hills - (a)	5.25	8.72	13.97	166.10%
Bingham Farms - (a)	5.25	4.25	9.50	80.95%
Birmingham - (a)	5.25	11.25	16.50	214.29%
Bloomfield Hills	8.19	3.98	12.17	48.60%
Bloomfield Township	13.49	3.16	16.65	23.42%
Brownstown Township	7.58	8.00	15.58	105.54%
Burtchville	12.89	30.63	43.52	237.63%
Burton - (b)	6.86	19.14	26.00	279.01%
Canton Township	10.63	4.00	14.63	37.63%
Carleton Village - (c)	7.55	14.70	22.25	194.70%
Center Line	5.63	6.44	12.07	114.39%
Chesterfield Township	8.03	3.02	11.05	37.61%
Clayton Township - (b)	6.86	12.20	19.06	177.84%

Schedule of Comparative Water Rates Detroit Wholesale vs. Suburban Municipal Retail

*Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002*

	<u>FY 2001-02 DWSD Charge</u> \$	<u>Community Retail Charge</u> \$	<u>Total Community Charge</u> \$	<u>Community Percentage Compared to DWSD Charge</u>
Clinton Township	6.10	5.13	11.23	84.10%
Clio - (b)	6.86	21.99	28.85	320.55%
Commerce Township	12.51	3.84	16.35	30.70%
Davison Township - (b)	6.86	15.21	22.07	221.72%
Dearborn	5.04	5.53	10.57	109.72%
Dearborn Heights	6.71	10.99	17.70	163.79%
Detroit	5.44	6.04	11.48	111.03%
Eastpointe	4.17	13.82	17.99	331.41%
Ecorse	3.84	8.39	12.23	218.49%
Farmington	8.15	9.38	17.53	115.09%
Farmington Hills	11.51	4.41	15.92	38.31%
Flat Rock	7.27	2.06	9.33	28.34%
Flint	6.86	16.70	23.56	243.44%
Flint Township - (b)	6.86	13.24	20.10	193.00%
Flushing - (b)	6.86	17.14	24.00	249.85%
Flushing Township - (b)	6.86	18.04	24.90	262.97%
Fraser	6.20	6.85	13.05	110.48%
Gaines Township - (b)	6.86	15.08	21.94	219.83%
Garden City	6.51	9.59	16.10	147.31%
Genesee Township - (b)	6.86	21.54	28.40	313.99%
Gibraltar	6.42	1.48	7.90	23.05%
Grand Blanc Township - (b)	6.86	14.84	21.70	216.33%

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Detroit Wholesale vs. Suburban Municipal Retail

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Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Greater Lapeer C.U.A.	10.43	N/A	N/A	N/A
Grosse Ile Township	6.38	12.09	18.47	189.50%
Grosse Pointe Park	6.56	15.24	21.80	232.32%
Grosse Pointe Woods	4.39	14.14	18.53	322.10%
Hamtramck	4.80	11.08	15.88	230.83%
Harrison Township	7.55	9.35	16.90	123.84%
Hazel Park	5.50	11.30	16.80	205.45%
Huron Township	7.26	9.99	17.25	137.60%
Imlay City - (d)	10.43	12.16	22.59	116.59%
Inkster	5.87	7.13	13.00	121.47%
Keego Harbor	9.01	5.53	14.54	61.38%
Lake Orion Village (f)	14.71	11.29	26.00	76.75%
Lapeer - (d)	10.43	16.83	27.26	161.36%
Lathrup Village - (a)	5.25	8.26	13.51	157.33%
Lenox Township	15.48	11.32	26.80	73.13%
Lincoln Park	4.81	6.95	11.76	144.49%
Livonia	9.28	5.14	14.42	55.39%
Macomb Township	8.01	4.24	12.25	52.93%
Madison Heights	5.73	8.53	14.26	148.87%
Mayfield Township - (d)	10.43	16.83	27.26	161.36%

Schedule of Comparative Water Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Melvindale	5.98	6.50	12.48	108.70%
Montrose - (b)	6.86	28.07	34.93	409.18%
Montrose Township - (b)	6.86	18.31	25.17	266.91%
Mt. Morris - (b)	6.86	23.45	30.31	341.84%
Mt. Morris Township - (b)	6.86	16.56	23.42	241.40%
Mundy Township - (b)	6.86	13.65	20.51	198.98%
New Haven	13.69	15.02	28.71	109.72%
Northville	9.93	19.95	29.88	200.91%
Northville Township	13.27	5.63	18.90	42.43%
Novi	14.13	5.03	19.16	35.60%
Oak Park	4.95	11.44	16.39	231.11%
Oakland Co. Drain Comm.	3.29	N/A	N/A	N/A
Orchard Lake Village - (g)	15.69	5.39	21.08	34.35%
Orion Township	14.71	2.92	17.63	19.85%
Pittsfield Township - (e)	5.40	8.60	14.00	159.26%
Pleasant Ridge - (a)	5.25	4.73	9.98	90.10%
Plymouth	8.93	10.50	19.43	117.58%
Plymouth Township	11.16	2.34	13.50	20.97%
Pontiac	5.72	14.80	20.52	258.74%
Redford Township	6.65	10.05	16.70	151.13%

Schedule of Comparative Water Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons

Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Richfield Township - (b)	6.86	14.33	21.19	208.89%
River Rouge	5.04	10.44	15.48	207.14%
Riverview	6.75	8.88	15.63	131.56%
Rochester Hills	12.34	3.28	15.62	26.58%
Rockwood	7.93	6.24	14.17	78.69%
Romeo	7.77	(0.72)	7.05	-9.27%
Romulus	6.11	5.58	11.69	91.33%
Roseville	5.37	4.68	10.05	87.15%
Royal Oak - (a)	5.25	8.91	14.16	169.71%
Royal Oak Township	5.77	3.44	9.21	59.62%
S E O C W A	5.25	N/A	N/A	N/A
Shelby Township	10.45	9.39	19.84	89.86%
South Rockwood	9.36	9.17	18.53	97.97%
Southfield - (a)	5.25	10.39	15.64	197.90%
Southgate	5.82	5.74	11.56	98.63%
Sterling Heights	6.95	2.10	9.05	30.22%
St. Clair County - (h)	5.03	N/A	N/A	N/A
St. Clair Shores	5.59	10.19	15.78	182.29%
Sumpter Township	9.09	14.11	23.20	155.23%
Superior Township - (e)	5.40	13.00	18.40	240.74%

Schedule of Comparative Water Rates Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Swartz Creek - (b)	6.86	13.63	20.54	199.42%
Sylvan Lake	14.25	12.75	27.00	89.47%
Taylor	6.53	4.54	11.07	69.53%
Trenton	5.24	9.39	14.63	179.20%
Utica	6.43	13.71	20.14	213.22%
Van Buren Township	8.63	0.25	8.88	2.90%
Vienna Township - (b)	6.86	15.19	22.05	221.43%
Walled Lake	11.22	10.28	21.50	91.62%
Warren	5.86	7.28	13.14	124.23%
Washington Township	12.41	5.67	18.08	45.69%
Wayne	4.26	7.07	11.33	165.96%
West Bloomfield Township	15.69	7.01	22.70	44.68%
Westland	7.42	6.91	14.33	93.13%
Woodhaven	8.14	7.24	15.38	88.94%
York Township - (e)	5.40	N/A	N/A	N/A
Ypsilanti Comm Util Auth	5.40	N/A	N/A	N/A
Ypsilanti - (e)	5.40	11.37	16.77	210.56%
Ypsilanti Township - (e)	5.40	6.98	12.38	129.26%

Schedule of Comparative Water Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Average Suburban Wholesale		10.21	18.02	146.00%
(a) Wholesale customer of Southeastern Oakland County Water Authority				
(b) Wholesale customer of City of Flint.				
(c) Wholesale customer of Ash Township.				
(d) Wholesale customer of Greater Lapeer County Utilities Authority				
(e) Wholesale customer of Ypsilanti Communities Utility Authority				
(f) Wholesale customer of Orion Township				
(g) Wholesale customer of West Bloomfield Township				
(h) St. Clair County has an additional fixed monthly charge of \$1,400.00				
N/A Not Applicable				

Schedule of Comparative Sewer Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Allen Park - (g)	6.73	8.96	15.69	133.14%
Auburn Hills - (a)	7.91	4.04	11.95	51.07%
Auburn Hills - (c)	7.49	4.46	11.95	59.55%
Beverly Hills Village - (c)	7.49	17.63	25.12	235.38%
Beverly Hills Village - (d)	6.31	18.81	25.12	298.10%
Bingham Farms - (c)	7.49	4.06	11.55	54.21%
Birmingham - (c)	7.49	20.94	28.43	279.57%
Birmingham - (d)	6.31	22.12	28.43	350.55%
Bloomfield Hills - (c)	7.49	5.06	12.55	67.56%
Bloomfield Township - (c)	7.49	9.48	16.97	126.57%
Canton Township - (f)	7.66	13.42	21.08	175.20%
Center Line - (g)	7.43	8.57	16.00	115.34%
Chesterfield Township - (b)	7.86	8.44	16.30	107.38%
Clarkston Village - (a)	7.91	5.42	13.33	68.52%
Clinton Township - (b)	7.86	9.51	17.37	120.99%
Clinton-Oakland District - (g)	7.91	N/A	N/A	N/A
Dearborn East - (g)	6.10	11.08	17.18	181.64%
Dearborn Heights - (f)	7.66	12.60	20.26	164.49%
Dearborn Northeast - (g)	14.42	2.76	17.18	19.14%
Dearborn West - (g)	6.52	10.66	17.18	163.50%

Schedule of Comparative Sewer Rates

Detroit Wholesale vs. Suburban Municipal Retail

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Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
<i>Detroit</i>	13.87	6.07	19.94	43.76%
Eastpointe - (e)	6.07	23.15	29.22	381.38%
Evergreen-Farmington District - (g)	7.49	N/A	N/A	N/A
Farmington - (g)	6.66	14.40	21.06	216.22%
Farmington - (c)	7.49	13.57	21.06	181.17%
Farmington Hills - (c)	7.49	6.63	14.12	88.52%
Franklin - (c)	7.49	33.16	40.65	442.72%
Fraser - (b)	7.86	17.14	25.00	218.07%
Garden City - (f)	7.66	18.70	26.36	244.13%
Grosse Pointe - (g)	11.43	11.53	22.96	100.87%
Grosse Pointe Farms - (g)	11.47	12.08	23.55	105.32%
Grosse Pointe Park - (g)	7.06	9.44	16.50	133.71%
Grosse Pointe Woods - (e)	6.07	16.81	22.88	276.94%
Hamtramck - (g)	10.22	14.78	25.00	144.62%
Harrison Township - (b)	7.86	13.83	21.69	175.95%
Hazel Park - (d)	6.31	14.89	21.20	235.97%
Highland Park - (g)	8.94	4.26	13.20	47.65%
Independence Township - (a)	7.91	7.09	15.00	89.63%
Inkster - (f)	7.66	20.34	28.00	265.54%
Keego Harbor - (c)	7.49	5.33	12.82	71.16%

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	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Lake Orion Village - (a)	7.91	12.92	20.83	163.34%
Lathrup Village - (c)	7.49	9.69	17.18	129.37%
Lenox Township - (b)	7.86	23.34	31.20	296.95%
Livonia - (f)	7.66	8.30	15.96	108.36%
Macomb County - (g)	7.86	N/A	N/A	N/A
Macomb Township - (b)	7.86	5.89	13.75	74.94%
Madison Heights - (d)	6.31	12.91	19.22	204.60%
Melvindale - (g)	6.87	10.63	17.50	154.73%
New Haven - (b)	7.86	19.17	27.03	243.89%
Northville - (f)	7.66	19.82	27.48	258.75%
Northville Township - (f)	7.66	10.87	18.53	141.91%
Novi - (f)	7.66	3.44	11.10	44.91%
Oak Park - (d)	6.31	16.05	22.36	254.36%
Oakland Township - (a)	7.91	5.02	12.93	63.46%
Orchard Lake Village - (c)	7.49	8.51	16.00	113.62%
Orion Township - (a)	7.91	4.85	12.76	61.31%
Oxford Township - (a)	7.91	9.59	17.50	121.24%
Oxford Village - (a)	7.91	9.09	17.00	114.92%

Schedule of Comparative Sewer Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 DWSD Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Pleasant Ridge - (d)	6.31	23.67	29.98	375.12%
Plymouth - (f)	7.66	17.92	25.58	233.94%
Plymouth Township - (f)	7.66	14.82	22.48	193.47%
Redford Township - (g)	12.50	12.10	24.60	96.80%
Redford Township - (f)	7.66	16.94	24.60	221.15%
Rochester - (a)	7.91	4.46	12.37	56.38%
Rochester Hills - (a)	7.91	8.03	15.94	101.52%
Romulus - (f)	7.66	6.48	14.14	84.60%
Roseville - (e)	6.07	14.83	20.90	244.32%
Royal Oak - (d)	6.31	22.26	28.57	352.77%
Royal Oak Township - (d)	6.31	10.09	16.40	159.90%
Shelby Township - (b)	7.86	11.82	19.68	150.38%
Southfield - (c)	7.49	10.46	17.95	139.65%
Southfield - (d)	6.31	11.64	17.95	184.47%
Sterling Heights - (b)	7.86	2.71	10.57	34.48%
St. Clair Shores - (e)	6.07	17.86	23.93	294.23%
S.E. Oakland County District - (g)	6.31	N/A	N/A	N/A
Sylvan Lake - (a)	7.91	29.42	37.33	371.93%
Sylvan Lake - (c)	7.49	29.84	37.33	398.40%
Utica - (b)	7.86	15.45	23.31	196.56%

Schedule of Comparative Sewer Rates

Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002

	FY 2001-02 <u>DWSD Charge</u> \$	Community <u>Retail Charge</u> \$	Total Community <u>Charge</u> \$	Community Percentage Compared to <u>DWSD Charge</u>
Van Buren Township - (f)	7.66	2.12	9.78	27.68%
Washington Township - (b)	7.86	13.19	21.05	167.81%
Waterford Township - (a)	7.91	10.46	18.37	132.24%
Wayne - (f)	7.66	13.72	21.38	179.11%
Wayne County Rouge Dist. - (g)	7.66	N/A	N/A	N/A
Wayne County Northeast Dist. - (g)	6.07	N/A	N/A	N/A
West Bloomfield Township - (a)	7.91	7.19	15.10	90.90%
West Bloomfield Township - (c)	7.49	7.61	15.10	101.60%
Westland - (f)	7.66	12.22	19.88	159.53%
Average Suburban Wholesale		12.33	20.08	167.00%
(a) Wholesale customer of Clinton/Oakland District				
(b) Wholesale customer of Macomb County				
(c) Wholesale customer of Evergreen-Farmington District				
(d) Wholesale customer of Southeast Oakland County District				
(e) Wholesale customer of Wayne County Northeast District				
(f) Wholesale customer of Wayne County Rouge Valley District				

Schedule of Comparative Sewer Rates Detroit Wholesale vs. Suburban Municipal Retail

Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons

Updated January 2002

FY 2001-02	Community	Total	Community
DWSD Charge	Retail Charge	Community	Charge
\$	\$	\$	\$
			DWSD Charge
			Percentage
			Compared to
			DWSD Charge

Footnotes, continued:

(g) The Sewage Disposal Districts have the following fixed monthly charges:

District	Charge \$/Month	District	Charge \$/Month
Allen Park	2,921.27	Dearborn E. (Storm)	27,228.01
Center Line	3,015.52	Dearborn N. E.	19,319.28
Clinton-Oakland	107,474.35	Grosse Pointe	8,425.88
Dearborn East	57,760.96	Grosse Pointe Farm.	18,165.94
Dearborn West	54,879.91	Hamtramck	47,181.95
Evergreen-Farmingt	86,698.15	Highland Park	61,286.14
Farmington	5,451.64	Redford Twp.	1,577.49
Grosse Pointe Park	5,331.80		
Macomb County	529,133.77		
Melvindale	6,673.10		
N. E. Wayne County	159,577.80		
Rouge Valley	112,561.15		
S. E. Oakland Count.	356,203.77		

N/A Not Applicable

Schedule of Comparative Combined Water and Sewer Rates Detroit Wholesale vs. Suburban Municipal Retail

*Typical Monthly Residential Bill Based on 1,000 Cubic Feet or 7,500 Gallons
Updated January 2002*

	FY 2001-02 DWSD Water Charge \$	FY 2001-02 DWSD Sewage Charge \$	Community Retail Charge \$	Total Community Charge \$	Community Percentage Compared to DWSD Charge
Berkley - (a) (b)	5.25	6.31	21.82	33.38	188.75%
Clawson - (a) (b)	5.25	6.31	33.99	45.55	294.03%
Ferdale - (b)	4.48	6.31	31.04	41.83	287.67%
Grosse Pointe Shores - (c)	9.66	6.07	16.27	32.00	103.43%
Harper Woods - (e)	6.61	15.44	8.95	31.00	40.59%
Harper Woods - (c)	6.61	6.07	18.32	31.00	144.48%
Huntington Woods - (a) (b)	5.25	6.31	31.64	43.20	273.70%
Troy - (b)	9.09	6.31	8.00	23.40	51.95%
Troy - (d)	9.09	7.49	6.82	23.40	41.13%
Average Suburban Wholesale			19.65	33.86	158.00%
(a) Wholesale customer of Southeastern Oakland County Water Authority					
(b) Wholesale customer of Southeast Oakland County Sewage Disposal District, the district has a fixed monthly charge of \$356,203.77					
(c) Wholesale customer of Wayne County Northeast District, the district has a fixed monthly charge of \$159,577.80					
(d) Wholesale customer of Evergreen-Farmington District, the district has a fixed monthly charge of \$86,698.15					
(e) Harper Woods has a fixed monthly sewage charge for its district of \$823.73					